



**PRESS RELEASE**  
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**RECENT DEVELOPMENTS IN “OPERATION PANAMA EXPRESS”**

Paul I. Perez, United States Attorney for the Middle District of Florida, announced today three recent developments in the Organized Crime Drug Enforcement Task Force (OCDETF) investigation commonly known as “Operation Panama Express.”

**New Colombian Arrests**

Today the Drug Enforcement Administration (DEA) Bogota Country Office, in conjunction with the Colombian National Police Sensitive Investigation Unit, located and arrested Luis Manuel Sanchez Varilla, an alleged member of the Colombian paramilitary group, Autodefensas Unidas de Colombian (AUC). The AUC was designated a foreign terrorist organization in 2001 by the United States Department of State.

Varilla’s arrest in Colombia was part of “Operation Pegasus II,” a Colombian investigation that overlapped with the Middle District of Florida OCDETF investigation, “Operation Panama Express.” To date “Operation Panama Express,” has resulted in the seizure or destruction of more than 185 tons of cocaine and the arrest of more than 300 defendants. Varilla’s arrest in Colombia marks the beginning of an extradition process in

which the United States will seek to have the government of Colombia surrender Varilla for criminal prosecution in the United States.

United States Attorney Paul I. Perez stated: "This is another example of what can be achieved with a strong commitment among federal law enforcement agencies, United States Coast Guard, United States Navy and the Colombian government to cooperate with each other in fighting drug organizations."

Varilla, DOB: 2/1/64, was arrested in Colombia and charged with Conspiracy to Import Cocaine and Conspiracy to Manufacture and Distribute Cocaine. Both charges carry a penalty of ten years' imprisonment up to life imprisonment. The criminal case is being prosecuted by Maria Chapa-Lopez, Assistant United States Attorney in the Tampa Office, assigned to the Organized Crime Drug Enforcement Task Force.

In another matter, Colombian authorities arrested four members of a maritime, cocaine transportation organization operating out of Cali and Buenaventura, Colombia. The arrests were made pursuant to extradition requests from the United States Attorney's Office for the Middle District of Florida. The organization, which was headed by Balbino Olaya-Carvajal, a/k/a "El Mecanico," is alleged to have used fishing vessels and speed boats to transport multi-ton quantities of cocaine to Mexico for ultimate distribution in the United States. Among the cocaine shipments alleged to have been organized by the Olaya Organization was a shipment of 12.65 tons of cocaine which was seized by the United States Coast Guard in the Eastern Pacific Ocean on February 11, 2002, on board the Colombian flagged fishing vessel Paulo.

Balbino Olaya-Carvajal and his brothers Angel Olaya-Carvajal, Miguel Olaya-

Carvajal and Eliseo Estupinan-Gonzalez were arrested on warrants issued pursuant to a five count Superseding Indictment that was returned by a Federal Grand Jury in Tampa on February 6, 2003, which charges the defendants with various federal drug trafficking offenses. Specifically, all defendants are charged with conspiracy to possess with intent to distribute cocaine, conspiracy to import cocaine into the United States, and conspiracy to possess and possession of cocaine while on board a vessel subject to the jurisdiction of the United States. Each charge carries a maximum sentence of ten years' imprisonment up to life imprisonment.

The prosecution of the Olaya Organization is part of the long-term Organized Crime Drug Enforcement Task Force investigation "Operation Panama Express." The Task Force includes the Drug Enforcement Administration, Bureau of Immigration and Customs Enforcement, Federal Bureau of Investigation, United States Coast Guard, and Joint Interagency Task Force that was formed to support a parallel investigation in Colombia, S.A. known as "Operation Pegasus II." "Operation Pegasus II" includes the Colombian National Police Sensitive Investigations Unit, the Colombian Navy and the United State Drug Enforcement Administration's Bogota Country Office. Colombian authorities also provided assistance in the investigation pursuant to a Mutual Legal Assistance Treaty request from the U.S. Attorney's Office. The case is being prosecuted by Assistant United States Attorney W. Stephen Muldrow of the Organized Crime Drug Enforcement Task Force for the Middle District of Florida.

"These three developments in 'Operation Panama Express' demonstrate the ever-expanding scope and impact of this OCDETF investigation," said Mr. Perez. Mr. Perez

further stated, “ a year ago this month we formed a drug unit in my office headed by Assistant United States Attorney Joseph K. Ruddy, which aggressively investigates and prosecutes both large and small, as well as foreign and domestic drug organizations. ‘Operation Panama Express’ has made unprecedented maritime seizures of cocaine, which now total more than 185 tons seized or destroyed and more than 300 defendants arrested. The developments announced today illustrate that we are successfully pursuing the highest level of cocaine traffickers and their financial networks.”

“Operation Panama Express,” because of its duration, scope and magnitude requires the coordination of many governmental entities, both foreign and domestic. In addition to the United States Attorney’s Office for the Middle District of Florida, these entities include the United States Coast Guard, United States Drug Enforcement Administration (Miami Field Division, Special Operations Division, Bogota and Panama Country Offices), Federal Bureau of Investigation, the newly-created Bureau of Immigration and Customs Enforcement (ICE), Joint Interagency Task Forces (Key West, Florida and Alameda, California), United States Marshals Service, Department of Treasury (Office of Foreign Asset Control, Internal Revenue Service), United States Department of Justice (Narcotics and Dangerous Drugs Section, Office of International Affairs Section), Colombian National Police (Sensitive Investigation Unit) and the Colombian Navy.

#### Freezing of Bank Accounts

United States Department of Treasury, Office of Foreign Asset Control, which has been working closely with the DEA, FBI and ICE (formerly USCS) in “Operation Panama Express,” yesterday initiated economic sanctions against the financial network of Joaquin

Mario Valencia-Trujillo, the alleged Cali cartel leader arrested January 31, 2003 in Bogota, Colombia on an indictment issued out of this office.

OFAC's mission is the administration and enforcement of U. S. economic sanctions and embargos. To that end, OFAC has added the names of alleged Cali cartel leaders Joaquin Mario Valencia-Trujillo and Guillermo Valencia-Trujillo, and their corporate empire of twenty-eight companies and twenty-eight individuals, to its list of Specially Designated Narcotics Traffickers (SDNTs). SDNTs are subject to economic sanctions imposed against Colombian drug cartels in Executive Order 12978. The twenty-eight Colombian companies designated as SDNTs by OFAC include a network of industrial paper manufacturers, a prominent paso fino horse farm, maritime, financial, mining, real estate, sporting and consulting companies. OFAC has determined that Joaquin Mario and Guillermo Valencia-Trujillo and their agents exert ultimate control over these entities.

OFAC's action is intended to deny these SDNTs access to the U. S. financial system and to the benefits of trade and transactions involving United States businesses' and individuals. All SDNT assets subject to U. S. jurisdiction are blocked. These include bank accounts, property and interests in property. U. S. individuals and companies are prohibited from engaging in unlicensed transactions, including any commercial or financial dealings, with any of the SDNTs. Violations carry criminal penalties of up to \$500,000 per violation for corporations, \$250,000 for individuals, imprisonment of up to ten years and administratively-imposed civil penalties of up to \$11,000 per violation.

#### Naples' Arrests

An Indictment returned in the Tampa Division has been unsealed in connection with

the arrests of eleven individuals in the Naples area of the Middle District of Florida. These individuals are charged with participation in the importation and domestic distribution of multi-ton quantities of cocaine into the Naples area for more than a decade. The defendants arrested include: Robert Weeks, Forest Weeks, Darrel Taylor, Jimmie Byrd, Michael Richardson, Eliceo Tirado, Nevin McLeran, Freddy Flint, Ferrell Keith Hall, Richard Rolland, Jr. and John Faison. They are charged with conspiracy to import and importation of cocaine, as well as, conspiracy to possess and possession with intent to distribute cocaine. If convicted, they face a range of imprisonment from ten years to life on each of the four counts. This case is being prosecuted by Assistant United States Attorney Jim Preston of Organized Crime Drug Enforcement Task Force (OCDETF) in the Middle District of Florida.

As to the indictments discussed in this press release, each defendant is presumed innocent unless, and until, proven guilty.